

## Energy Efficient Mortgage

	<b>October 2002</b>
BRIEF DESCRIPTION	Allow estimated monthly energy savings to be added to income for qualification purposes and adjust value of the home to reflect the value of the energy efficiency measures. Adjustment to appraisal capped at 5% of the home's value for new construction. 15% cap for installed cost for retrofits
PRODUCT TYPES	Fixed rate, fully amortizing, purchase money mortgages or limited cash-out refiances
ELIGIBLE PROPERTY	One-family, owner-occupied principal residences.  Home must 1. have received an energy report by a certified HERS rater, or 2. have been built to EPA's EnergyStar Builder Option package.
FIRST MORTGAGE MAXIMUM LTV	100% based on the value of the property, which for new construction shall be the lesser of: 1. the purchase price or 2. the appraised value of the Property plus the Energy Savings Value as determined through third-party verification.  For retrofits, LTV is based on the lesser of: 1. sales price plus the Energy Savings Value as determined through third-party verification or appraised value prior to the installment of the energy measures plus the Energy Savings Value..
MAXIMUM CLTV	105%
SUBORDINATE FINANCING/COMM. SECONDS	All secondary financing must meet Fannie Mae's standard Community Seconds guidelines.
QUALIFYING RATIOS	41% single ratio if underwritten manually
ELIGIBLE BORROWER	Borrowers of all incomes are eligible.
MINIMUM BORROWER CONTRIBUTION	3% from flexible sources
PITI RESERVES	One Month if underwritten manually
DU	DU Eligible
OTHER CREDIT ENHANCEMENT	NA
SPECIAL FEATURE CODE	124
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